

Message Text

PAGE 01 STATE 023623

60

ORIGIN TRSE-00

INFO OCT-01 NEA-09 ISO-00 NSF-02 LAB-04 EB-07 COME-00

AGR-10 DODE-00 HEW-06 SIL-01 L-02 OES-05 OPIC-06

CIAE-00 INR-07 NSAE-00 RSC-01 FRB-01 SS-15 NSC-05

NSCE-00 SSO-00 SP-02 INT-05 FEA-01 AEC-07 AID-05

IGA-01 OMB-01 INRE-00 PRS-01 PM-03 PA-02 USIE-00

XMB-04 /114 R

DRAFTED BY TREASURY:BPOUNDS:CEJ

APPROVED BY NEA/ARP:FMDICKMAN

NSF:WWETMORE (INFO)

LABOR:DLAZORCHICK (INFO)

EB/CBA/CCA/BR:JNESVIG

COMMERCE:JHEARN (INFO)

AGRICULTURE:QWEST

DEFENSE:RHOLT (INFO)

TREASURY:HMCFADDEN

HEW:AKAHN (INFO) TRSY:GLPARSKY

----- 121109

O 010155Z FEB 75

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA IMMEDIATE

UNCLAS STATE 023623

E.O. 11652: N/A

TAGS: USSAEC

SUBJECT: JOINT ECONOMIC COMMISSION: FOLLOW-UP ACTION ON
COMMITMENTS MADE JAN 5-6 RIYADH MEETINGS

1. FOLLOWING IS TEXT OF TELEX WHICH ASSISTANT SECRETARY
PARSKY IS SENDING TO DR. SOLAIM WHICH REVIEWS PROGRESS
MADE ON VARIOUS ISSUES SINCE THE MEETINGS IN RIYADH EARLY
IN JANUARY. PAPER ON SUGGESTED STAFFING PATTERN FOR JOINT
UNCLASSIFIED

PAGE 02 STATE 023623

COMMISSIONS' RIYADH OFFICE AND PAPER SETTING FORTH
VARIOUS FORMS PRIVATE SECTOR COUNCIL MIGHT TAKE WILL BE
HAND CARRIED IN ADVANCE FOR EMBASSY REVIEW BY MS BONNIE
POUNDS, WHO ARRIVING JIDDA EVENING FEB 2. DOCUMENTS REFLECT

CURRENT VIEWS AMONG USG AGENCIES SUBJECT TO REVIEW BY EMBASSY. EMBASSY COMMENTS ON SUBSTANCE WILL BE APPRECIATED FOR USE IN RIYADH FEB 5 AND 6.

2. TEXT FOLLOWS: DEAR DR. SOLAIM: THIS IS A FOLLOW UP STATUS REPORT ON THE COMMITMENTS MADE BY USG REPRESENTATIVES DURING OUR JANUARY 5-6 TALKS IN RIYADH IN CONNECTION WITH THE PREPARATIONS FOR THE JOINT COMMISSION MEETING. I AM SENDING THIS TO YOU IN ADVANCE OF THE VISIT TO RIYADH NEXT WEEK OF MY DEPUTY LEWIS W. BOWDEN.

I. JOINT COMMISSION

TECHNICAL COOPERATION AGREEMENT - IT WAS INDICATED TO

US THAT THE SAG EXPECTED THE TCA TO BE CONCLUDED IN THE NEAR FUTURE.

PROGRESS TO DATE: FOLLOWING OUR MEETINGS, THE US EMBASSY WAS INFORMED THAT THE TCA WAS APPROVED IN PRINCIPLE. A JOINT MEETING WAS HELD ON JANUARY 21 TO DISCUSS MINOR POINTS. SAG SUGGESTIONS FOR MODIFYING THE TCA WERE TRANSMITTED TO US. USG COMMENTS ON THESE PROPOSED CHANGES ARE BEING TRANSMITTED TO THE US EMBASSY.

USG OFFICE OF THE JOINT COMMISSION IN RIYADH - THE SAG EMPHASIZED THE NEED FOR AN ADEQUATE US-SAUDI STAFF IN RIYADH.

PROGRESS TO DATE: WE HAVE PREPARED A SUGGESTED STAFFING PATTERN FOR THE US MISSION TO THE JOINT COMMISSION OFFICE AND LEWIS BOWDEN WILL BE PREPARED TO DISCUSS THIS WITH YOU.

COMMISSION MEETING - IT WAS AGREED THAT THE COMMISSION MEETING SHOULD BE HELD IN WASHINGTON, FEB 26-27. THREE DOCUMENTS WERE FORESEEN: A BRIEF COMMUNIQUE, THE SUMMARY UNCLASSIFIED

PAGE 03 STATE 023623

MINUTES, WHICH WOULD CONTAIN A RECORD OF THE MEETING, AND PERHAPS THE TEXT OF THE TECHNICAL COOPERATION AGREEMENT. WE AGREED TO ARRANGE MEETINGS BETWEEN COUNTERPARTS OUTSIDE THE COMMISSION FRAMEWORK.

PROGRESS TO DATE: WE HAVE BEGUN PREPARATIONS FOR THE JOINT COMMISSION MEETING. WHILE IN RIYADH, MR. BOWDEN WILL WELCOME INFORMATION ABOUT THE SIZE AND COMPOSITION OF THE SAUDI DELEGATION, TRAVEL PLANS, AND ADDITIONAL MEETINGS MEMBERS OF THE SAUDI DELEGATION MAY WISH TO HAVE WITH GOVERNMENT OFFICIALS IN WASHINGTON OR ELSEWHERE IN THE US. MR. BOWDEN IS ALSO PREPARED TO DISCUSS A SCENARIO FOR THE JOINT COMMISSION MEETING AND WILL PROVIDE

YOU WITH A DRAFT USG AGENDA FOR THE COMMISSION MEETING.

PRIVATE SECTOR COUNCIL - IT WAS INDICATED TO US THAT THE SAG WOULD WELCOME SUGGESTIONS ABOUT ORGANIZING A PRIVATE BUSINESS COUNCIL.

PROGRESS TO DATE: A PAPER SETTING FORTH THE VARIOUS FORMS SUCH A PRIVATE SECTOR COUNCIL MIGHT TAKE HAS BEEN DEVELOPED AND WILL BE HANDED OVER BY MR. BOWDEN.

II. INVESTMENT

FCN TREATY (1933) WITH SA

US COMMITMENT: WE AGREED TO ASCERTAIN THE CURRENT APPLICABILITY OF THE 1933 TREATY WITH RESPECT TO MUTUAL COVERAGE OF INVESTMENT.

PROGRESS TO DATE: WE ARE IN THE PROCESS OF REVIEWING THE RELEVANCE OF THIS TREATY AND WILL HAVE A MORE DEFINITIVE POSITION IN THE COMING WEEKS.

INVESTMENT GUARANTEE AGREEMENT - THE SAG INDICATED A WILLINGNESS TO STUDY INFORMALLY A DRAFT INVESTMENT GUARANTEE AGREEMENT.

US COMMITMENT: THE US EMBASSY AGREED TO FURNISH YOU INFORMALLY WITH A DRAFT OPIC AGREEMENT.
UNCLASSIFIED

PAGE 04 STATE 023623

PROGRESS TO DATE: WE ARE AWAITING YOUR REACTIONS TO THIS DRAFT.

TRIANGULAR INVESTMENT - IT WAS INDICATED TO US THAT THE SAUDI DEVELOPMENT FUND AND THE ARAB INVESTMENT FUND MIGHT SERVE AS VEHICLES FOR TRIANGULAR INVESTMENT.

SAUDI COMMITMENT: YOU AGREED TO PROVIDE OUR EMBASSY WITH THE CHARTER FOR THE SAUDI DEVELOPMENT FUND.

PROGRESS TO DATE: I HAVE RECOMMENDED THAT TRIANGULAR INVESTMENT BE AN AGENDA ITEM TO BE TAKEN UP AT THE JOINT COMMISSION MEETING. MR. BOWDEN PLANS TO DISCUSS FURTHER WITH YOU THESE SAUDI FINANCIAL INSTITUTIONS AS VEHICLES FOR TRIANGULAR INVESTMENT.

US DOMESTIC INVESTMENT POLICY - WE INDICATED THAT AN IN-DEPTH REVIEW WAS UNDERWAY ON US DOMESTIC INVESTMENT POLICY.

US COMMITMENT: I INDICATED THAT I WOULD PROVIDE A COMPREHENSIVE REPORT ON THE SUBJECT AT THE JOINT COMMISSION

MEETING.

PROGRESS TO DATE: I HAVE RECOMMENDED THAT THIS TOPIC BE INCLUDED AS AN AGENDA ITEM FOR THE JOINT COMMISSION MEETING.

III. US OIL POLICY

IT WAS INDICATED TO US THAT US FEES ON PETROLEUM PRODUCTS ARE A SIGNIFICANT ELEMENT IN THE SAUDI INDUSTRIALIZATION EFFORT. A REVIEW OF US TARIFF AND FEE SCHEDULE FOR REFINED PRODUCTS WAS THEN REQUESTED.

US COMMITMENT: I AGREED TO LOOK AT THE CIRCUMSTANCES UNDER WHICH A CHANGE IN US POLICY MIGHT BE POSSIBLE, INDICATING THAT THIS SHOULD BE A SUBJECT OF CONSIDERATION BY THE JOINT COMMISSION.

UNCLASSIFIED

PAGE 05 STATE 023623

PROGRESS TO DATE: THIS TOPIC IS INCLUDED IN THE USG PROPOSED AGENDA FOR THE JOINT COMMISSION MEETING.

IV. INDUSTRIALIZATION

STATISTICS - TWENTY-TWO US EXPERTS WERE REQUESTED TO WORK IN THE CENTRAL DEPARTMENT OF STATISTICS, AND WE WERE PROVIDED WITH A COPY OF A LIST OF THE TECHNICAL EXPERTS REQUIRED.

US COMMITMENT: WE AGREED TO WORK UP A PROPOSAL AND TO HAVE A RESPONSE IN A FEW WEEKS.

PROGRESS TO DATE: MR. BOWDEN PLANS TO PROVIDE YOU WITH A PRELIMINARY PROPOSAL, INCLUDING COST ESTIMATES, WITH RESPECT TO THIS REQUEST.

CORPS OF ENGINEERS - MINISTER ABA AL-KHAYL AGREED TO PROVIDE US WITH A DETAILED NOTE CONCERNING THE CORPS' ASSOCIATION WITH THE PUBLIC WORKS DEPARTMENT.

PROGRESS TO DATE: MR. BOWDEN IS PREPARED TO DISCUSS THE CORPS' ROLE WITH YOU.

V. AGRICULTURE AGRICULTURE CENTRAL LABORATORY

WE WERE REQUESTED TO ASSIST YOU IN REVIEWING THE PLANNING AND MANAGEMENT RESPONSIBILITY FOR IMPROVING THE OPERATIONS OF THE CENTRAL RESEARCH LABORATORY. THE IMPORTANCE OF THIS PROJECT AND THE CRITICAL NEED FOR USG TECHNICAL ASSISTANCE IN MESHING TRAINING AND RESEARCH CAPABILITIES

WERE EMPHASIZED.

US COMMITMENT: DR. WEST INDICATED OUR WILLINGNESS TO SEND TECHNICAL EXPERTS AND TO EXPAND THE DEPARTMENT OF AGRICULTURE PROPOSAL COVERING THE CENTRAL RESEARCH LABORATORY TO INCLUDE THE TRAINING CENTER. IN THIS REGARD, WE PROMISED TO SEND TWO OR THREE EXPERTS OUT IMMEDIATELY.

PROGRESS TO DATE: WE HAVE RECRUITED THE TWO EXPERTS AND UNCLASSIFIED

PAGE 06 STATE 023623

MR. BOWDEN WILL PROVIDE YOU WITH THE NOMINATIONS.

WATER RESOURCES, AGRICULTURAL AND WATER DATA BANK, AND LAND MANAGEMENT

IN ADDITION TO THE CENTRAL LABORATORY AND TRAINING CENTER, YOU AGREED TO FOCUS ON THREE PROPOSALS CONTAINED IN THE SEPTEMBER AGRICULTURAL WORKING GROUP REPORT - WATER RESOURCES, AGRICULTURE AND WATER DATA BANK, AND LAND MANAGEMENT.

WE PROVIDED YOU WITH PROPOSALS FOR REVIEW TEAMS IN THESE AREAS.

SAUDI COMMITMENT: YOU AGREED TO DEFINE YOUR NEEDS IN THESE THREE AREAS AND TO REPORT TO THE US ON THOSE ASPECTS OF THE WORKING GROUP RECOMMENDED PROPOSALS THAT YOU WISHED TO EMPHASIZE.

PROGRESS TO DATE: MR. BOWDEN HOPES TO ASCERTAIN YOUR RESPONSE.

WADI DAWASIR PROJECT - THE SAG INDICATED ITS DESIRE FOR A JOINT VENTURE PROJECT WHICH INVOLVES THE DEVELOPMENT OF INFRASTRUCTURE, WATER SUPPLY, AND PRODUCTIVE FACILITIES FOR MAJOR SECTIONS OF UNDEVELOPED LAND IN SAUDI ARABIA, INITIALLY IN THE WADI DAWASIR AREA.

US COMMITMENT: WE AGREED TO LOOK INTO THE POSSIBILITY OF USG UNDERTAKING THE FEASIBILITY STUDY OF THE PROJECT. WE AGREED TO CONSIDER THIS PROJECT EXPEDITIOUSLY AND TO LOOK INTO THE POSSIBILITY OF TAKING THE PROJECT TO THE POINT WHERE IT COULD BE LET OUT FOR BIDS.

PROGRESS TO DATE: WE HAVE REVIEWED THIS REQUEST AND HAVE PREPARED A REPLY WHICH MR. BOWDEN WILL DELIVER.

USG RECRUITING ASSISTANCE IN FILLING SENIOR STAFF POSITIONS IN THE MINISTRY OF AGRICULTURE EITHER THROUGH THE TCA OR BY DIRECT HIRE - THE SAG REITERATED ITS EARLIER (DECEMBER) REQUEST FOR AGRICULTURE EXPERTS. WE ASKED FOR CLARIFI-

UNCLASSIFIED

PAGE 07 STATE 023623

CATION ON THE PRECISE FUNCTIONS THE SAG ENVISAGED FOR THESE EXPERTS, AND WHETHER OR NOT THESE EXPERTS WOULD BE WORKING THROUGH THE TCA.

US COMMITMENT: IT WAS AGREED THAT DR. WEST WOULD PREPARE A PAPER ASSESSING THE ADVANTAGES OF USING THE TCA ROUTE AS OPPOSED TO DIRECT HIRE. THE PAPER WOULD ALSO ESTIMATE RELATIVE COSTS OF THE TWO ROUTES.

PROGRESS TO DATE: MR. BOWDEN WILL PROVIDE YOU WITH A

PROPOSAL INCLUDING A REQUEST FOR JOB DESCRIPTIONS AND OTHER RELEVANT INFORMATION.

VI. MANPOWER AND EDUCATION

EXPANSION OF HOSPITAL FACILITIES - IT WAS INDICATED TO US THAT UNDER THE FIVE YEAR PLAN, THE SAG PLANS 11,570 NEW HOSPITAL BEDS IN 97 NEW HOSPITALS. WE WERE INFORMED THAT THE CONTRACTS HAVE NOT BEEN LET FOR THE CONSTRUCTION OF THE HOSPITALS AND THAT PRINCE SAUD PLANS TO VISIT EUROPE AND THE US TO DISCUSS THE PROJECTS.

US COMMITMENT: WE AGREED TO PUT PRINCE SAUD IN CONTACT WITH APPROPRIATE US FIRMS AFTER BEING APPRISED OF PRINCE SAUD'S TRAVEL PLANS. WE ALSO URGED THAT MEDICAL TRAINING NEEDS BE INTEGRATED WITH OTHER MANPOWER TRAINING REQUIREMENTS.

PROGRESS TO DATE: WE WERE INFORMED OF PRINCE SAUD'S VISIT TO THE US IN MARCH AND WE ARE ARRANGING FOR APPROPRIATE MEETINGS WITH US FIRMS AND USG HEALTH OFFICIALS.

VOCATIONAL TRAINING - WE PROVIDED YOU WITH A COPY OF OUR RECOMMENDATIONS FOR AN IMPLEMENTING PROGRAM. YOU AGREED TO SELECT FROM RECOMMENDATIONS IN OUR PROPOSALS, AND INDICATED THAT YOU WERE INTERESTED IN A MANAGEMENT GROUP TO WORK WITH THE DIRECTOR GENERAL FOR MANPOWER TRAINING IN THE MINISTRY OF LABOR.

US COMMITMENT: FOLLOWING YOUR SELECTION OF RECOMMENDATIONS
UNCLASSIFIED

PAGE 08 STATE 023623

WE AGREED TO WORK UP THE APPROPRIATE ACTION PROGRAMS. THIS ACTION PROGRAM WILL INCLUDE RECOMMENDATIONS REGARDING WORK WITH THE DIRECTOR GENERAL FOR MANPOWER TRAINING.

PROGRESS TO DATE: MR. BOWDEN HOPES TO BE INFORMED RE-

GARDING THE OPTIONS YOU HAVE SELECTED.

HIGHER EDUCATION - THE SAG INDICATED INTEREST IN A VARIETY OF PROGRAMS IN THE FIELD OF EDUCATION.

US COMMITMENT: WE AGREED TO LOOK AT ALL THE IDEAS SUGGESTED. WE ARE COORDINATING THESE IDEAS WITH THE PREPARATION OF THE REPORT OF THE EDUCATION TEAM VISIT.

PROGRESS TO DATE: MR. BOWDEN WILL PROVIDE YOU WITH THE REPORT OF THE EDUCATION TEAM VISIT.

VII. SCIENCE AND TECHNOLOGY

US PROPOSED SCIENCE AND TECHNOLOGY PROGRAM - THE SAG RESPONDED FAVORABLY TO THE 18 PROJECT AREAS PROPOSED BY THE US SIDE.

YOU ALSO INDICATED THAT YOU WOULD LIKE TO DEVELOP A SAUDI SCIENCE FOUNDATION/CENTER WHICH WOULD INITIALLY SUPPORT AND FUND THE 18 ALREADY MUTUALLY AGREED UPON PROGRAM AREAS.

US COMMITMENT: WE AGREED TO PREPARE A 10-15 PAGE SUMMARY DOCUMENT OUTLINING THE S AND T PROGRAM AND STRUCTURE FOR YOUR FINAL COMMENT AND COORDINATION.

WE ARE ALSO PUTTING TOGETHER A LIST OF SMALL, 3-5 MAN TEAMS OF EXPERTS TO MEET WITH SAUDI COUNTERPARTS. AT THE JOINT COMMISSION MEETING, WE WILL BE PREPARED TO NAME US TEAM MEMBERS AND SUGGESTED DATES FOR MEETINGS.

PROGRESS TO DATE: MR. BOWDEN WILL PROVIDE YOU WITH THE SUMMARY DOCUMENT OUTLINING THE S AND T PROGRAM AND STRUCTURE. KISSINGER

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, COMMITTEES, PROGRESS REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 01 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE023623
Document Source: ADS
Document Unique ID: 00
Drafter: TREASURY:BPOUNDS:CEJ
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750037-0453
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750287/baaaagpm.tel
Line Count: 362
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 14 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 APR 2003 by MarshK0>; APPROVED <13 JAN 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: EAID, US, SA, USSAEC
To: JIDDA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006